

Message Text

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PAGE 01 STATE 074209
ORIGIN INR-07

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10
IO-13 SIG-01 MMO-01 PM-04 NSC-05 SP-02 SS-15
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ARA:JKING
EA:LMCNUTT
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FM SECSTATE WASHDC
TO ALL DIPLOMATIC POSTS
AMEMBASSY BEIRUT BY POUCH
AMEMBASSY BUCHAREST BY POUCH
AMEMBASSY BUDAPEST BY POUCH
AMEMBASSY PRAGUE BY POUCH
AMEMBASSY PORT MORESBY BY POUCH
AMEMBASSY SOFIA BY POUCH
AMEMBASSY SUVA BY POUCH
AMEMBASSY TAIPEI BY POUCH
AMEMBASSY VIENTIANE BY POUCH
AMEMBASSY WARSAW BY POUCH

S E C R E T STATE 074209

E.O. 11652: GDS

TAGS: PFOR,PORG,EAID,OAU,XA,XF
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SECRET

PAGE 02 STATE 074209

SUBJECT: AFRO-ARAB SUMMIT: ARAB AID

1. SUMMARY: FOUR ARAB OIL-PRODUCING STATES PLEDGED A
TOTAL OF \$1.46 BILLION FOR LONG TERM, PRESUMABLY FIVE
YEARS, AID TO SUB-SAHARAN AFRICA AT THE RECENTLY CON-
CLUDED AFRO-ARAB SUMMIT IN CAIRO. PUBLICLY, AFRICAN

LEADERS HAVE TERMED THE SUMMIT A SUCCESS IN ESTABLISHING THE PRINCIPLE OF INCREASED ARAB AID TO AFRICA. PRIVATELY, THEY HAVE BEEN MORE RESTRAINED AS THEY AWAIT THE DETAILS ON TRANSFERRING THE AID, LEFT PURPOSEFULLY VAGUE AT THE SUMMIT. FOR BACKGROUND SEE CFR NO 11,MARCH16,1977.
END SUMMARY.

2. AT THE MINISTERIAL MEETING THAT PRECEDED THE SUMMIT, THE AFRICANS PRESENTED A TANZANIAN PROPOSAL FOR \$2.2 BILLION IN ARAB AID TO BE FUNNELLED THROUGH THE AFRICAN DEVELOPMENT BANK (ADB) IN ABIDJAN, OVER THE NEXT FIVE YEARS. AFRICAN COMPLAINTS OVER ARAB AID HAVE CENTERED AS MUCH ON THE CONCENTRATION OF THE AID TO THREE ARAB-LEAGUE STATES, SUDAN, SOMALIA, AND MAURITANIA, AS ON THE OVERALL LEVEL OF AID. FOR THE PAST THREE YEARS, ARAB OFFICIAL DEVELOPMENT ASSISTANCE (ODA, PROJECT AID) TO SUB-SAHARAN

AFRICA HASTOTALLED \$1.579 MILLION, OF WHICH THE THREE ARAB-LEAGUESTATES RECEIVED \$920 MILLION.

3. THE ARAB MINISTERS VIGOROUSLY OPPOSED THE TANZANIAN PROPOSAL, AND PUT FORTH THEIR OWN PROPOSALS CALLING FOR INCREASED AID AND ECONOMIC COOPERATION BETWEEN AFRICAN AND ARAB STATES. AS THE AFRICANS THEMSELVES HAD RESERVATIONS ABOUT THE TANZANIAN PROPOSAL, THEY QUICKLY ACCEPTED THE ARAB PROPOSALS, THOUGH NO CONCRETE FIGURES WERE MENTIONED.

4. IN CONTRAST TO INDICATIONS AT THE MINISTERIAL MEETING, SAUDI ARABIA ANNOUNCED AT THE OPENING SESSION OF THE SUMMIT
SECRET

SECRET

PAGE 03 STATE 074209

A PLEDGE OF ONE BILLION DOLLARS FOR AFRICAN DEVELOPMENT. KUWAIT, THE UNITED ARAB EMIRATES, AND QATAR, FOLLOWED SUIT THE NEXT DAY WITH PLEDGES TALLING \$460 MILLION.

5. THE \$1.46 IN PLEDGES WAS ALLOCATED AS FOLLOWS: \$215 MILLION FOR MULTILATERAL AID, \$180 MILLION FOR THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (ABEDA), AND \$35 MILLION FOR THE ADB; \$11 MILLION FOR AFRICAN LIBERATION MOVEMENTS TO BE DISTRIBUTED THROUGH THE OAU; AND THE REST, OVER \$1.2 BILLION, TO BE CHanneled THOUGH DEVELOPMENT BANKS IN THE RESPECTIVE DONOR COUNTRIES.

6. WHILE THE ARAB PLEDGES WENT A LONG WAY TOWARD MEETING AFRICAN DEMANDS FOR \$2.2 BILLION IN OVERALL AID, THE FUNDS WILL REMAIN FIRMLY UNDER ARAB CONTROL, EXCEPT FOR THE TOKEN CONTRIBUTIONS TO THE ADB. THE SAUDIS, IN PARTICULAR, WERE ADAMANT THAT THEIR AID DID NOT GO TO WHAT THEY CONSIDER TO BE PRO-SOVIET REGIMES IN AFRICA, UNLESS THE AID COULD BE USED TO DIMINISH SOVIET INFLUENCE.

7. PUBLICLY, AFRICAN LEADERS EXCEPT THE ETHIOPIANS, HAVE PRAISED THE SUMMIT FOR REINFORCING AFRO-ARAB SOLIDARITY AND PROMISING INCREASED ECONOMIC COOPERATION. THE PRAISE SEEMS TO BE BASED MORE ON THE FACT THAT THE CONSERVATIVE GULF STATES IDENTIFIED THEMSELVES FOR THE FIRST TIME IN SUPPORT OF THE SOUTHERN AFRICAN LIBERATION MOVEMENTS, THAN ON THE AID PLEDGES.

8. PRIVATE AFRICAN REACTION IS MORE RESTRAINED. AFRICAN LEADERS ARE WAITING TO SEE HOW LONG, AND WHAT FORM, THE AID WILL TAKE. THESE FEELINGS WERE NURTURED BY THE FACT THAT THE ARAB PLEDGES ALSO CALLED FOR MORE EFFICIENT USE OF AID, AND ALLOCATED LARGE SUMS FOR FEASIBILITY STUDIES INDICATING THAT IT MIGHT BE SOME TIME BEFORE ANY MONEY IS SPENT.

SECRET

SECRET

PAGE 04 STATE 074209

9. THE SAUDIS HAVE INDICATED THAT THE PROPOSED ADDITIONAL AID IS FOR NON-ARAB-LEAGUE COUNTRIES, WHICH, IF TRUE FOR THE OTHER DONOR STATES AS WELL, MEANS A SUBSTANTIAL INCREASE IN AID OVER THE LEVELS OF THE LAST THREE YEARS.

10. IN ADDITION TO THE AID, THE SUMMIT ADOPTED A DECLARATION, WHICH AMONG OTHER THINGS CALLED FOR INCREASED TRADE AND COOPERATION, AS WELL AS ARAB INVESTMENTS IN AFRICA IF SUFFICIENT GUARANTEES COULD BE WORKED OUT. EXCEPT FOR OIL, AFRO-ARAB TRADE IS NEGLIGIBLE, AND AS AFRICAN AND ARAB ECONOMIES ARE NOT COMPLEMENTARY, TRADE IS UNLIKELY TO INCREASE APPRECIABLY IN THE NEAR FUTURE. AS FOR INVESTMENT, THE CONSERVATISM OF ARAB INVESTMENT, MAKES THIS UNLIKELY.

11. CONCLUSION: WHILE THE AFRICANS DID NOT ACHIEVE THEIR GOAL OF HIGHER LEVELS OF ARAB AID WITHOUT ARAB CONTROL, THEY WERE SUCCESSFUL IN HAVING THE SUMMIT ADOPT THE PRINCIPLE OF INCREASED ARAB AID TO AFRICA AND IN OBTAINING SOME INCREASE IN AID. THE FACT THAT THE BULK OF THE AID PLEDGES ARE TO BE FUNNELED THROUGH BILATERAL CHANNELS, ENSURES THAT SUCH AID WILL REMAIN UNDER ARAB CONTROL AND DISPENSED PRIMARILY TO COUNTRIES THAT SERVE ARAB POLITICAL INTERESTS.

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